

To: Dravis, Samantha[dravis.samantha@epa.gov]
From: POLITICO Pro Energy
Sent: Thur 2/15/2018 10:43:13 AM
Subject: Morning Energy: EPA waiver story wavers — Gaming out a gas tax — Pruitt embarks on his 'war on lead'

By Kelsey Tamborrino | 02/15/2018 05:42 AM EDT

With help from Anthony Adragna, Darius Dixon and Annie Snider

PROGRAMMING NOTE: Morning Energy will not publish on Monday, Feb. 19. Our next Morning Energy newsletter will publish on Tuesday, Feb. 20. Please continue to follow Pro Energy issues [here](#).

EPA WALKS BACK WAIVER CLAIM: EPA backtracked its statement that Administrator Scott Pruitt received a "blanket waiver" to fly first class on Wednesday, after Pro's Eric Wolff, Emily Holden and Alex Guillén pointed out federal rules appear to contradict such an arraignment. The administrator's travel has come under fire from members of both parties, after reports surfaced that taxpayers have been fronting pricey travel bills, including \$90,000 in expenses racked up in early June among Pruitt and his aides. All while a continuing probe unfolds into his travel by the agency's inspector general.

Earlier this week, EPA spokesman Jahan Wilcox said Pruitt had a "blanket waiver" to travel first- or business-class on all flights, citing security risks. But the General Services Administration says federal rules require a trip-by-trip approval process for staffers to fly first or business class "unless the traveler has an up-to-date documented disability or special need." When POLITICO pointed that GSA section to Wilcox, he amended his statement and cited separate regulations allowing for first-class travel based on security concerns. "As such, for every trip Administrator Pruitt submits a waiver to fly in either first or business class," Wilcox said.

And while everyone who flies — in coach or otherwise — is subject to security screening, security experts say there are genuine protective advantages to traveling in first class. "You want to minimize as much potential problems as you can," said Joe Funk of TorchStone Global, a private security firm. Read more [here](#).

A number of Republicans [are irked](#) by Pruitt's luxury travel arrangements, including some normally supportive of Pruitt. "We don't buy first class tickets. He probably shouldn't either," Rep. [Mike Simpson](#) told ME.

Meanwhile, Energy and Commerce ranking member [Frank Pallone](#), along with Reps. [Diana DeGette](#) and [Paul Tonko](#), [are calling on](#) the agency IG to include the "blanket waiver" statement in the audit of Pruitt's travel. Alex reports more [here](#).

WELCOME TO THURSDAY! I'm your host Kelsey Tamborrino, and DOE's Diane Meck was first to identify the first four congressionally designated federal holidays (New Year's Day, Independence Day, Thanksgiving Day and Christmas Day). For today: Which singer-songwriter

received the Congressional Gold Medal in 1986? Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter [@kelseytam](#), [@Morning_Energy](#) and [@POLITICOPro](#).

GAMING OUT A GAS TAX: President Donald Trump signaled he'd be in favor of a 25-cent gas tax hike in order to pay for infrastructure during a meeting with lawmakers Wednesday, according to a source in the room. Pro's Lauren Gardner, Tanya Snyder and Brianna Gurciullo [report](#) Trump said he would promote the move — a stark departure from previous administrations — but a gas tax hike still faces long odds on Capitol Hill. "Congressional Republicans haven't voted to raise gas taxes since Reagan was President, and they aren't likely to now," said Paul Bledsoe of the Progressive Policy Institute.

The Chamber of Commerce has previously floated a gas tax increase as a way to pay for infrastructure upgrades, but more ideologically minded conservative groups remain dug in against the idea. FreedomWorks President Adam Brandon said: "I'd hate to see a new tax siphon off 20 percent of the \$1,000 tax reform bonuses back to the swamp this year."

Democrats sounded optimistic. "He acknowledged that there needs to be more federal investment than is proposed in his plan — or not his plan; his staff's plan," Democratic Rep. [Peter DeFazio](#) said after leaving the meeting.

PRUITT WANTS TO LEAD ON LEAD — JUST NOT WITH MONEY: Pruitt has prominently vowed to wage a "war on lead," the potent neurotoxin. The administrator has invited Cabinet officials to join him at EPA headquarters today to draw up the battle plan for reducing childhood exposure. But the war is missing one key ingredient: money. Just Monday, the White House proposed a budget for EPA that would eliminate two programs aimed at reducing lead poisoning. And Pruitt's not alone in facing proposed cuts: Also on the chopping block in the Trump budget is a Housing and Urban Development program to eliminate lead in public housing.

Despite the attention that lead poisoning has received in recent years after nearly 100,000 people were exposed to dangerous lead levels in their drinking water in the city of Flint, Mich., an [analysis](#) by the watchdog Environmental Working Group Wednesday found that the number of drinking water systems exceeding EPA's lead action level remains essentially unchanged.

But will they come? EPA's press office wouldn't say who is slated to attend today's meeting, but other federal agencies told ME to expect mostly agency No. 2's and No. 3's, including the deputy secretaries for Agriculture and Health and Human Services and Associate Attorney General Rachel Brand (who last week [announced](#) her plans to leave the government).

FERC'S STORAGE PARTY: The agenda for today's FERC meeting might seem routine if not for a pending order on energy storage that several Senate Democrats have been pressing on for months. Comments on the [proposed rule](#), which aims to remove barriers to storage and aggregated distributed energy in the wholesale power system, were due right before FERC lost its quorum more than a year ago. Sens. [Ed Markey](#) and [Sheldon Whitehouse](#) held up FERC Commissioner Neil Chatterjee's confirmation right before the August recess last year so they

could press him to prioritize finalizing the rule. Some regional power markets have defined ways for storage to participate but limit the services that storage resources can provide because many of the rules are still designed around large, inflexible generators and don't "recognize the operational characteristics" of storage, limiting the economic incentive to develop them.

Earlier this week, FERC Chairman Kevin McIntyre told state regulators that the order would try to ensure that storage and distributed resources would be "properly accommodated to the grid." FERC Commissioner Rob Powelson also teased members of the Energy Storage Association on Wednesday by saying the order "really shows how this FERC is into innovation and our commitment to markets." There's likely to be a presentation on the order by FERC staff. Regulators are also slated to act on a primary frequency response proposed rule that was issued in late 2016. The meeting starts at 10 a.m. at FERC HQ, 888 First St., NE, and will be webcast.

DOC OF THE DAY: The White House delivered a separate, 11-page Excel document titled "2018 Discretionary Adds" to Congress, reversing cuts to a few energy offices. See it here.

TRUMP ADMIN WANTS WOTUS WAR IN TEXAS: With the fight over the Obama administration's Waters of the U.S. rule now taking place in district court, the Trump administration is pushing to move the war to industry's preferred battleground: the Southern District of Texas. In a court filing Wednesday, Trump's Justice Department asked a New York District Court judge to move the case challenging EPA's recent delay of the Obama-era regulation, filed last week by New York Attorney General Eric Schneiderman and fellow Democratic AGs, to the Texas court, where a powerful coalition of industry groups filed its case.

Meanwhile, the 11th Circuit Court of Appeals greased the skids for 10 Republican attorneys general to seek their own preliminary injunction by agreeing to send the case back to district court, even though the Supreme Court's decision requiring such a move hadn't yet been finalized.

HOW ARE THOSE RFS TALKS GOING? They're not, according to Chuck Grassley, who said Ted Cruz is "dug in" on his position. "There aren't any negotiations because you can't negotiate with somebody who wants to put a cap on RINs, because if you do it, it's just going to destroy everything the RFS tries to accomplish," he said.

CARPER, WHITEHOUSE SEND EPA DOCS TO GAO: Sens. Tom Carper and Whitehouse wrote to the Government Accountability Office, asking for relevant information on GAO's review of EPA procedures for selecting federal advisory committee members. The pair say they've acquired new internal EPA documents that suggest appointees to the agency's science advisory boards under Pruitt are disregarding normal procedure. Read the letter and docs here.

MATTER OF FACTBOOK: The Business Council for Sustainable Energy and Bloomberg New Energy Finance will today release its annual edition of the "Sustainable Energy in America Factbook." BCSE and BNEF write that the power sector is driving decarbonization. "Emissions from this sector ebbed 4.2% in 2017, this time on the back of declining load and greater renewable generation (rather than coal-to-gas switching, a primary driver of 2016's 5.8% downturn)," the new report finds.

REPORT: EPA ENFORCEMENT FELL IN YEAR ONE: A [new report](#) out today from the Environmental Integrity Project finds civil enforcement at EPA dropped sharply in Year One of the Trump era, when compared to the first years of the previous three presidents. The report strikes a different reading of the numbers than the one EPA released [last week](#) from its own annual enforcement report.

By the numbers: Reviewing court records, EIP found EPA and the Justice Department lodged 48 lawsuits in Trump's first year, collecting \$30 million in penalties. That's compared with the Obama administration, which filed 71 cases yielding \$71 million in penalties — or \$81 million once adjusted for inflation. Also notable: There appears to have been a drop in the money EPA secured from violators to clean up pollution and prevent future violations, known in enforcement jargon as "injunctive relief." Read more [here](#).

WATCH IT: The American Wind Energy Association and the University of Delaware's Special Initiative on Offshore Wind released underwater video footage of fish feeding near offshore wind farm Block Island to demonstrate the impact it has on marine life. Watch [here](#). (And see Sen. Whitehouse break up a press gaggle with Sen. [John Neely Kennedy](#) to show him pictures of the wind turbine [here](#).)

COME TOGETHER: An unlikely pairing put out a joint statement on Wednesday to promote the transition to clean energy. The Natural Resources Defense Council and Edison Electric Institute presented their joint statement to NARUC — the fourth of its kind over 15 years — outlining 21 policy recommendations on clean energy and the grid. "Our perspectives and constituencies are very different, but we find much common ground on clean energy progress, grid infrastructure needs, opportunities for regulated electric companies ... and the potential need for collaboratively developed rate design and other regulatory reforms," the statement says. Read it [here](#).

MOVER, SHAKER: Brandon Kirkham joined Faegre Baker Daniels Consulting on Wednesday as a senior director on the energy and environment team. He previously worked at Four Rivers Consulting.

QUICK HITS

- Despite complaints, Interior boss pushing big reorganization, [Associated Press](#).
- Kevin Cramer moves closer to launching a Senate campaign, [The Atlantic](#).
- Leaked U.N. climate report sees "very high risk" the planet will warm beyond key limit, [The Washington Post](#).
- Shell's pivot to renewables sharpens with California deal, [Bloomberg](#).

HAPPENING TODAY

9:30 a.m. — BNEF and BCSE media briefing on the release of 2018 Sustainable Energy in

America Factbook, 1101 New York Avenue NW

10:00 a.m. — House Natural Resources Oversight and Investigations Subcommittee [hearing](#) on "The Costs of Denying Border Patrol Access: Our Environment and Security," 1324 Longworth

10:00 a.m. — House Science Research and Technology Subcommittee [hearing](#) on "Mentoring, Training, and Apprenticeships for STEM Education and Careers," 2318 Rayburn

2:00 p.m. — House Natural Resources Energy and Mineral Resources Subcommittee [hearing](#) on H.R.520, the "National Strategic and Critical Minerals Production Act," 1324 Longworth

2:30 p.m. — House Natural Resources Federal Lands Subcommittee [hearing](#) on various bills, 1334 Longworth

4:00 p.m. — The U.S. Agency for International Development holds Climate Links [discussion](#) on "Multi-Scale Approach to Climate Adaptation in Nepal," 1717 H Street NW

5:30 p.m. — The National Capital Region Society of Healthcare Engineers [seminar](#) on "Energy to Care: Co-Generation Energy Savings and Resiliency," Arlington

THAT'S ALL FOR ME!

To view online:

<https://www.politicopro.com/newsletters/morning-energy/2018/02/epa-waiver-story-wavers-105833>

Stories from POLITICO Pro

EPA changes its story on Pruitt's first-class travel [Back](#)

By Eric Wolff, Emily Holden and Alex Guillén | 02/14/2018 05:55 PM EDT

EPA on Wednesday retracted its claim that Administrator Scott Pruitt has received a "blanket waiver" to fly first class whenever he travels, after POLITICO pointed officials to federal travel rules that appeared to bar such arrangements.

Pruitt has been routinely flying first class at taxpayers' expense after securing what EPA spokesman Jahan Wilcox had described as "blanket waiver," POLITICO reported Tuesday. But the [General Services Administration](#) says federal rules require agencies' oversight staffers to sign off on officials' first- or business-class travel "on a trip-by-trip basis ... unless the traveler has an up-to-date documented disability or special need."

Wilcox changed his explanation after POLITICO pointed out that section of the regulations. GSA does allow first-class travel for security reasons, but only if agencies request a waiver for each trip.

"As such, for every trip Administrator Pruitt submits a waiver to fly in either first or business class," Wilcox said, amending the agency's earlier statement, which yielded criticism from Republican lawmakers and led Democrats to request an inspector general investigation.

A GSA spokesperson confirmed its ban on blanket waivers to POLITICO Wednesday but would not discuss Pruitt's specific circumstances.

The EPA spokesman said anyone seeking additional details about Pruitt's travels would have to formally request them under the Freedom of Information Act, a process that can take months or years. In fact, the agency has not yet responded to POLITICO's June request information about travel authorizations.

Two House Democrats asked an agency watchdog earlier Wednesday to review EPA's "blanket waiver" policy.

The questions add to growing scrutiny over the high-flying travel expenses of President Donald Trump's Cabinet, five months after former HHS Secretary Tom Price stepped down following POLITICO's reporting on his use of more than \$1 million in taxpayers' money for trips on private jets and government planes.

Pruitt and his staff say he can't fly coach because of security concerns. He regularly purchases first-class tickets on trips as short as D.C. to Boston and on long-haul flights to the Middle East.

But Norm Eisen, the former top ethics lawyer for the Obama administration and a critic of Trump, said Pruitt should not be allowed to routinely ignore regulations that are meant to ensure government officials do not waste taxpayer dollars.

"It's nonsense, whereas no such thing as providing a blanket waiver of that kind. It's contrary to all ethics practices," Eisen said. "If you're going to use the people's money in this way, there needs to be an individual waiver each time."

Information about Pruitt's travel expenses has come out only in response to specific public records requests, including one that a court ordered EPA to respond to in mid-January from a watchdog group called the Environmental Integrity Project. It's not possible to tally how much Pruitt has spent on first-class trips in total, but The Washington Post reported over the weekend that in early June, Pruitt and other EPA staff racked up more than \$90,000 in travel bills.

Records also show Pruitt spending \$1,641 for a flight from D.C. to New York City and back — a route that often costs as little as \$250 with a few days' notice.

Pruitt also may have an armed agent flying with him at the first-class price level, but EPA excluded some of the travel records in its disclosure to the environmental group, citing security concerns.

Pruitt's high-priced trips run contrary to the practices of previous administrations, when top EPA officials typically flew coach, and ethics officials allowed first-class trips only in special

circumstances. Staffers for President Barack Obama's EPA chief, Gina McCarthy, recall her flying coach to and from Africa and Asia.

Some Republican lawmakers have criticized Pruitt's flights, adding to angst over other Trump officials' travel practices. Besides Price, Interior Secretary Ryan Zinke, Treasury Secretary Steven Mnuchin and Veterans Affairs Secretary David Shulkin have been under scrutiny for their expenses.

Eisen, now chairman of the liberal watchdog group Citizens for Responsibility and Ethics in Washington, said that when he was working in the White House from 2011 to 2014 he only rarely allowed non-coach travel, when State Department officials had to make flights of 14 hours or more. Trips of that length justify first-class tickets, according to federal regulations.

GSA rules clearly prohibit blanket authorizations for commercial flights in virtually all circumstances.

"Blanket authorization of other than coach-class transportation accommodations is prohibited and shall be authorized on an individual trip-by-trip basis, unless the traveler has an up-to-date documented disability or special need," the Federal Travel Regulation says.

However, agencies can apply waivers to use government aircraft, in certain situations.

Other former federal officials speaking on background said they'd also never heard of a blanket waiver.

An advance staffer for an Obama-era Cabinet member said first class didn't seem to offer security benefits.

"Security [staff], in my experience, doesn't care so much what cabin the principal sits in," the former advance staffer said. "They care much more about where their seat is in the plane."

EPA's Office of Inspector General, which investigates threats against Pruitt, said last fall that he received up to five times as many threats as his immediate predecessor, McCarthy.

It is not clear how many of those threats have been deemed credible; the instances revealed so far have included threatening tweets and a menacing postcard. The internal watchdog did not immediately respond to a request on Wednesday for updated statistics on threats against Pruitt.

A former TSA official noted that everyone who flies, in coach or otherwise, is subject to security screening.

"Everyone in that aircraft went through TSA security screening," the official said. "It's a safe environment like you'd go through the Capitol building on Capitol Hill. Everyone has gone through a metal detector, same as on an aircraft."

Other security experts told POLITICO that there are genuine protective advantages to traveling

in first class.

Airlines will often work with high-profile travelers to board them separately from the general public. Flying first class also grants access to secured lounge areas, and first-class passengers disembark first. And while in the air, the first-class area is more tightly controlled than coach.

"You want to minimize as much potential problems as you can," said Joe Funk of TorchStone Global, a private security firm. Funk spent 21 years in the Secret Service and more recently provided security for presidential candidates Obama, Mitt Romney and Jeb Bush.

"If you reduce the exposure of your protectee, your VIP, from the entire airport audience to a smaller group that is in the lounges, you've eliminated or minimized" threats, he added.

While flying first class could allow Pruitt access to special lounges where there are fewer passengers waiting for a plane, former federal agency staffers say VIPs are often offered that option even with just a coach ticket. Some airports ask high-level officials to disembark directly to their vehicles rather than walking through the terminal, a former EPA staffer said. And armed guards and the people they are protecting typically board planes first, former government employees familiar with the process said.

"As much as you can keep your principal away from other people," you should, said John Sexton of Sexton Executive Security in Fairfax, Va.

To view online [click here](#).

[Back](#)

Some Republicans scoff at Pruitt's travel habits [Back](#)

By Anthony Adragna | 02/14/2018 01:30 PM EDT

A small but growing group of Republican lawmakers have lost patience with EPA Administrator Scott Pruitt's first-class flying habits.

Pruitt's "blanket waiver" to fly in first- or business-class whenever he travels — [first reported](#) Tuesday by POLITICO — is rankling some members of Congress who squeeze themselves into coach for flights to and from Washington nearly every weekend. EPA says unspecified security concerns require the luxury accommodations for Pruitt, but the hefty price tag of his taxpayer-funded travel is getting to be too much for some GOP lawmakers.

"I would be embarrassed to get on a plane, sit down in first class and have my constituents pass me by and see me in first class," said Sen. John Kennedy (R-La.). "I just think all Cabinet secretaries and all of us ought to fly coach."

Sen. Deb Fischer (R-Neb.) told POLITICO that a coach-class seat "would be sufficient" for

Pruitt.

"I'm always hauling my bags onto the plane every weekend," she said.

The mounting criticism comes as Pruitt took a first-class seat on a flight to Boston Tuesday and after FOIA records showed he spent more than \$1,600 on a flight from Washington to New York in June 2017. And CBS News reported Tuesday the EPA chief spent \$7,000 on an Emirates Airlines return flight from Italy in June.

"Due to security reasons, he has a blanket waiver to buy business- or first-class," EPA spokesman Jahan Wilcox said.

Pruitt says his security detail decides what type of ticket he gets.

"I'm not involved in any of those decisions. Those are all made by the [security] detail, the security assessment in addition to the chief of staff," he told the New Hampshire Union Leader Tuesday.

EPA's inspector general is already reviewing Pruitt's travel history for the entirety of 2017, though it said in a Jan. 10 letter obtained by POLITICO that the office "will not further extend or expand the scope of our review."

Other Republicans urged the administration to ensure proper stewardship of taxpayer funds without directly criticizing Pruitt's travel arrangements.

"Whether we are members of Congress or members of the Cabinet, I think we've got responsibility that when we're traveling on government business that we make sure we're being responsible with those dollars," Senate Energy Chairwoman Lisa Murkowski (R-Alaska) told POLITICO.

And Pruitt's preference for first-class taste was endorsed by at least one lawmaker who said he always flies coach himself.

"We can all second-guess whether he should be in first-class or if he should be in coach, but I can tell if you're actually going to get some work done on a long flight there's a whole lot of people that would agree you're probably going to get more work done if you're not in the middle seat," Sen. Mike Rounds (R-S.D.) told POLITICO.

Sen. Dan Sullivan (R-Alaska) said travel decisions were "all contextual." Asked if \$1,600 for a brief shuttle flight from Washington to New York seemed appropriate, he said "it's all contextual."

Sen. Tom Udall (D-N.M.) said he looked forward to reviewing that report but called into question why Pruitt's security needs seemed so much greater than those of previous EPA chiefs.

"I find it pretty hard to understand how Administrator Pruitt can spend millions of dollars on

things for himself, like a soundproof phone booth and luxury travel perks, while slashing the budget for programs that keep the air and water clean for America's kids," Udall said in a statement.

To view online [click here](#).

[Back](#)

House Democrats press EPA IG to review Pruitt's 'blanket waiver' [Back](#)

By Alex Guillén | 02/14/2018 03:37 PM EDT

House Democrats today [wrote](#) to EPA Inspector General Arthur Elkins, Jr., to urge him to include Administrator Scott Pruitt's "blanket waiver" to travel first class in his ongoing review of Pruitt's travel habits.

"It is unclear how, in each of these instances, costlier domestic travel, or where one is seated on an aircraft, provides additional security as compared to more economical options," wrote Reps. [Frank Pallone](#) (D-N.J.), [Diana DeGette](#) (D-Colo.) and [Paul Tonko](#) (D-N.Y.).

The IG's review of Pruitt's travel has been extended to include all of 2017, including a December trip to Morocco. EPA staff [have indicated](#) Pruitt obtained the waiver last year, placing it within the existing probe's scope.

WHAT'S NEXT: The IG has not indicated how long his review of Pruitt's travel will take.

To view online [click here](#).

[Back](#)

Trump endorses 25-cent gas tax hike, lawmakers say [Back](#)

By Lauren Gardner, Tanya Snyder and Brianna Gurciullo | 02/14/2018 03:44 PM EDT

President Donald Trump endorsed the idea of a 25 cent-per-gallon gas tax increase at a meeting Wednesday with lawmakers, people who attended the session said — a move that could help pay for his big infrastructure plan but brought swift attacks from anti-tax conservatives.

Trump's support came just two days after the White House released a long-awaited, \$1.5 trillion infrastructure plan that didn't endorse such a politically perilous increase, and less than two months after he signed a mammoth tax code overhaul that would have provided cover for lawmakers supporting it. The last president to hike the 18.4-cents-per-gallon federal gas tax was Bill Clinton in 1993, a year before Democrats lost both chambers of Congress in a crushing midterm defeat.

A 25-cent hike phased in over five years would generate an additional \$375 billion over the next 10 years, according to the U.S. Chamber of Commerce, which backs the idea.

Sen. Tom Carper (D-Del.), one of several lawmakers of parties who attended the meeting, confirmed that Trump had indeed "offered his support for raising the gas and diesel tax by 25 cents a gallon and dedicating that money to improve our roads, highways, and bridges."

Carper added that Trump "came back to the idea of a 25 cent increase several times throughout the meeting," and that he "even offered to help provide the leadership necessary so that we could do something that has proven difficult in the past."

Rep. Peter DeFazio (D-Ore.), the top Democrat on the House Transportation Committee, emerged from the meeting saying he was heartened by Trump's words.

"He acknowledged that there needs to be more federal investment than is proposed in his plan — or not his plan; his staff's plan," DeFazio said. Trump's infrastructure proposal Monday called for using just \$200 billion in federal money, which the White House has said would all be offset by budget cuts.

A White House official refused to confirm the president's comments in Wednesday's meeting. But the official noted that Trump has previously said everything is on the table to achieve his infrastructure goals and that the gas tax "has its pros and cons, and that's why the president is leading a thoughtful discussion on the right way to solve our nation's infrastructure problems."

But anti-tax conservative groups quickly came out swinging against hiking the taxes motorists pay at the pump.

"I'd hate to see a new tax siphon off 20 percent of the \$1,000 tax reform bonuses back to the swamp this year," said FreedomWorks President Adam Brandon in a statement issued within minutes after the news of Trump's change of heart. Similar statements came from groups including Americans for Tax Reform and Americans for Prosperity.

"President Trump will not be fooled into following the Democrat play book," Americans for Tax Reform President Grover Norquist said in a statement.

Support for raising the gasoline tax to pay for transportation projects crosses political boundaries, however. House Transportation Chairman Bill Shuster (R-Pa.) brought up the idea at a recent GOP retreat as one way of providing more federal money for infrastructure.

DeFazio has also long called for a gas tax hike, his most recent proposal involving an increase of about a penny a year for 30 years.

In Wednesday's meeting, DeFazio said, he and Shuster "both made the point that we need really strong support from the White House" to push a gas tax increase forward. That's especially true, DeFazio said he told Trump, because House Speaker Paul Ryan (R-Wis.) is "not interested" in

considering it.

If Trump follows through, it could mean billions of dollars in new revenue for infrastructure and help solve the intractable problem of the Highway Trust Fund's shrinking potency, which is due in part to increasing fuel economy and alternative-fuel vehicles that don't pay gasoline taxes.

Shuster said Trump also "understands you've got to find a pay-for, you've got to fix" the Highway Trust Fund.

Raising the gas tax would only go so far by itself, because Highway Trust Fund money cannot go to waterways, broadband service, airports, veterans hospitals or any of the other broad array of project types that Trump's infrastructure plan seeks to fund. But it could achieve more than many infrastructure supporters had expected of Trump's plan — offering a sustainable funding source instead of a short-term shot in the arm.

Though DeFazio was heartened by Trump's comments, he was critical of portions of the plan that give preferential treatment and a higher federal match for rural areas — even though some of those rural areas are in the Oregon Democrat's district. He also said he wants to see previously enacted regulatory streamlining provisions fully implemented before Congress approves more.

Even Shuster said he had questions about the portion of the administration's proposal that would favor states and local governments that plan to pay for most of an infrastructure project themselves.

"It doesn't work for all the states," Shuster said. "They're looking for the federal government to do its part."

Shuster said that lawmakers and Trump "didn't put a timetable on" a package, though Shuster indicated that he hopes to finish legislation before the August recess.

"We've got plenty of time to do it. I don't believe it's that difficult," Shuster said. "We can get something done in fairly short order."

Andrew Restuccia contributed to this report.

To view online [click here](#).

[Back](#)

Justice Department's No. 3 official resigns [Back](#)

By Josh Gerstein and Eliana Johnson | 02/09/2018 06:21 PM EDT

The Justice Department's third-ranking official, Associate Attorney General Rachel Brand, is resigning her post for a job in the private sector, officials said Friday.

Brand moved to depart after an unusually brief tenure in the post: just eight-and-a-half months. She's is taking a senior position at Wal-Mart, the company confirmed Friday night.

The company announced Brand will join as Executive Vice President, Global Governance and Corporate Secretary, reporting directly to the company's President and CEO, Doug McMillon.

Brand has been the focus of recent speculation since she could be abruptly elevated to take over management of the investigation into alleged collusion between the Trump campaign and Russia.

Deputy Attorney General Rod Rosenstein named Special Counsel Robert Mueller to lead that probe and oversees his work. But President Donald Trump has complained that Rosenstein is inadequately loyal.

The possibility that Trump could fire Rosenstein has led to talk that Brand might step into his shoes, since she's next in the department's order of succession. But Trump could appoint any presidentially-confirmed official in the government — or one of hundreds of other Justice Department employees — to take Rosenstein's job on an acting basis.

Asked about the impetus for Brand's departure, one associate who asked not to be named said, "Because she is very smart, accomplished, and talented, and wants to protect her career."

At Wal-Mart, Brand will be responsible for the company's legal, global ethics and compliance and global Investigation, security, aviation and travel departments, along with her role as corporate secretary.

Another person told of Brand's move said Friday: "She got a really great offer from a Fortune 10 company. That's all there is to it."

Brand's statement, as released by the Justice Department on Friday evening, gave no hint of dissatisfaction.

"The men and women of the Department of Justice impress me every day," Brand said. "I am proud of what we have been able to accomplish over my time here. I want to thank Attorney General Sessions for his leadership over this Department. I've seen firsthand his commitment to the rule of law and to keeping the American people safe."

Attorney General Jeff Sessions praised Brand's work and stressed that her decision was driven by the job she'd been offered in the business world.

"Rachel Brand is a lawyer's lawyer," Sessions said in a statement. "I know the entire Department of Justice will miss her, but we join together in congratulating her on this new opportunity in the private sector. She will always remain a part of the Department of Justice family."

Brand's decision to resign appeared to take many Justice Department officials by surprise, setting off something of a scramble. A department statement said she was expected to leave her post "in

the coming weeks."

A graduate of Harvard law school and veteran of the Justice Department's Office of Legal Policy in the George W. Bush administration, Brand has been widely discussed as a potential judicial nominee. Leaving the administration might help her avoid controversy that could complicate any future nomination.

Brand's Trump administration job included oversight of the Justice Department's civil rights division, civil division and antitrust division. She also played a key role in lobbying Congress to renew legislation authorizing monitoring of foreigners' communications through U.S. based internet firms and telecommunication providers.

Brand had expertise in the issue because she'd served on the Privacy and Civil Liberties Oversight Board during the Obama administration, studying a range of the government's anti-terrorism surveillance authorities.

When Congress passed a six-year renewal of the provision known as Section 702 last month, Justice Department officials went out of their way to draw attention to her leadership in the fight.

Sessions highlighted that effort again in his statement on her departure.

"When I asked her to take the lead in the Department's efforts on Section 702 re-authorization, she made this her top priority and combined her expertise and gravitas to help pass legislation keeping this crucial national security tool," the attorney general wrote.

Brand also devoted significant time to one of her longstanding passions: helping fight domestic abuse and human trafficking. She spoke at a Justice Department conference on the issue just last week. Before taking her post, she was a board member and volunteer at a battered women's shelter in Arlington, Va., Doorways for Women and Families.

To view online [click here](#).

[Back](#)

EPA posts one of top enforcement years in last decade, helped by VW settlement [Back](#)

By Alex Guillén | 02/08/2018 03:06 PM EDT

EPA today [reported](#) that 2017 was one of the agency's best years in the last decade on enforcement, though the figures were bumped up by the Volkswagen emissions cheating case that was begun under the Obama administration.

The agency secured \$20 billion in spending by companies to fund pollution controls and remediation as part of enforcement agreements. Of that, nearly \$16 billion was connected to the

Volkswagen scandal. It was the second-highest relief level in a decade, behind only 2011.

EPA also assessed administrative or judicial penalties of \$1.6 billion last year — again, the second-highest year in a decade, behind 2016 when the figures were boosted by a \$5.7 billion penalty against BP over its Gulf of Mexico oil spill. Criminal fines were nearly \$3 billion last year, the third-biggest year in a decade, also helped by the Volkswagen penalty.

The number of federal inspections continued a six-year decline, falling to 11,700 last year. Inspections in 2007 and 2010 each topped 20,000. The figure does not include state inspections.

Critics argue that 2017's results benefited from Obama-era actions. In an email to reporters on Wednesday, former EPA enforcement chief Cynthia Giles said that the Trump administration "can only reasonably take credit for 5 [percent] - or less - of the most important results."

It is fair for EPA to include those numbers in the 2017 report, Giles added, but she said it would be "misleading" to argue "that these numbers show that Administrator [Scott] Pruitt is enforcing the law."

To view online [click here](#).

[Back](#)

Green group says EPA enforcement plummeted in Trump's first year [Back](#)

By Alex Guillén | 02/15/2018 05:02 AM EDT

Civil enforcement at EPA fell sharply in the Trump administration's first year as compared to the first years of the previous three presidents, according to a [report](#) from the Environmental Integrity Project.

EPA and the Justice Department lodged 48 lawsuits in the administration's first year, collecting \$30 million in penalties, EIP said after reviewing court records. The Obama administration filed 71 cases that yielded \$71 million in penalties, or \$81 million once adjusted for inflation, EIP said. Figures for the Bush and Clinton administrations were also significantly higher than under Trump, according to the report.

There also appears to have been a drop in the money EPA secured from violators to clean up pollution and prevent future violations, known in enforcement jargon as "injunctive relief." EIP said records showed the Trump administration secured \$966 million in such relief in its first year, although it acknowledged EPA does not always disclose such data. The Obama administration secured \$3.3 billion in its first year.

EIP noted that for each administration, the figures include cases that were started under the previous president.

EPA last week released its own annual enforcement report covering fiscal year 2017, which ran from Oct. 1, 2016 to Sept. 30, 2017. It reported civil penalties of \$1.6 billion and \$20 billion in injunctive relief, a figure boosted by \$16 billion related to the long-running Volkswagen scandal.

EIP did not review criminal or Superfund enforcement cases, or administrative actions used for minor violations.

To view online [click here](#).

[Back](#)

Was this Pro content helpful? Tell us what you think in one click.				
<u>Yes, very</u>	<u>Somewhat</u>	<u>Neutral</u>	<u>Not really</u>	<u>Not at all</u>

You received this POLITICO Pro content because your customized settings include: Morning Energy. To change your alert settings, please go to <https://www.politicopro.com/settings>

This email was sent to dravis.samantha@epa.gov by: POLITICO, LLC 1000 Wilson Blvd.
Arlington, VA, 22209, USA
